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**DEPARTMENT  
POLICY****FIP, SDA, and Medicaid**

As a condition of eligibility individuals must apply for any state and/or federal benefits for which they may be eligible. This includes taking action to make the entire benefit amount available to the group.

Any action by the individual or other group members to restrict the amount of the benefit made available to the group causes ineligibility.

**Exception:** Receipt of reduced Veterans Administration benefits does not constitute a failure to pursue benefits.

Except for contractual care arrangements, the requirements in this item **do not** apply to a past month determination for MA when the applicant has taken action to apply for potential benefits.

**FIP, SDA and RCA**

Refusal of a program group member to pursue a potential benefit results in group ineligibility.

Individuals applying for or receiving disability-related MA must apply for SSI as a potential resource.

A repay agreement is required when there is a potential benefit for state-funded FIP/SDA individuals; see BEM 272, State-Funded FIP, and SDA Repay Agreements.

**Medicaid Only**

Refusal to pursue a potential benefit results in the individual's ineligibility.

**Note:** Medicare Part B is not mandatory to pursue as a potential resource. However when an individual refuses Medicare Part B, Medicaid will not pay for any Medicare Part B covered services received.

**Exception:** Pursuit of Benefits does not apply to beneficiaries covered under Pregnant Women.

**CDC Only**

Applicants for income eligible CDC should be made aware of other Michigan Department of Health & Human Services (MDHHS) programs and services they may be potentially eligible for and provided the DHS-1171, if interested. However, the applicant is not required to apply for MDHHS programs.

**TYPES OF  
POTENTIAL  
BENEFITS**

The following can be a potential benefit:

- Retirement, Survivors, and Disability Insurance (RSDI).
- Supplemental Security Income (SSI).
- Worker's Compensation benefits.
- Veterans Administration benefits.
- Railroad Retirement benefits.
- Unemployment benefits (UB).
- Contractual care arrangement.
- Child support.
- Other potential benefits.
- Department benefits.

**Retirement,  
Survivors, and  
Disability  
Insurance (RSDI)****FIP, SDA, RCA, CDC, and Medicaid**

RSDI benefits are payable to a wage earner and/or his/her dependents. The benefits are administered by the Social Security Administration (SSA). The wage earner must be covered by Social Security and must be one of the following:

- Retired and at least age 62.
- Disabled or blind.
- Dead.

RSDI are potential benefits for all of the following persons:

- A person who is blind.
- A person who is retired and at least age 62.

### Supplemental Security Income (SSI)

- A person who claims illness or injury prevents him from working for at least 12 months.
- A person whose spouse is retired, disabled or dead.
- A child whose parent is retired, disabled or dead.

#### FIP, SDA, RCA and CDC

SSI benefits are paid to persons who are aged (65 or older), blind or disabled. The following individuals must be referred to SSA to apply for SSI:

- Persons age 65 or older.
- Person applying, receiving or eligible for SDA and disability-related MA.
- Adults in a FIP group who are deferred more than 90 days from work related activities.
- Children who are blind or disabled. A child is considered disabled for SSI purposes if the child meets all of the following:
  - The child has a physical or mental condition(s) that can be medically proven.
  - The condition(s) results in **marked and severe** functional limitations.
  - The condition has lasted or is expected to last at least 12 months or end in death.
  - The child is not working at a job considered substantial work by SSA.

**Worker's  
Compensation  
Benefits****FIP, SDA, RCA, CDC, and Medicaid**

Worker's Compensation benefits are potential benefits paid to a person who has a job-related illness or injury. Claims are filed through the employer.

**Veterans  
Administration  
Benefits****FIP, SDA, RCA, CDC and Medicaid**

Veterans Administration (VA) benefits are administered by the VA and are paid to a disabled veteran, his/her survivors and dependents.

VA benefits are potential benefits for the following persons:

- A disabled veteran, his/her spouse and child(ren).
- The unmarried spouse of a deceased veteran.
- The child of a deceased veteran.

**Railroad  
Retirement  
Benefits****FIP, SDA, RCA, CDC and Medicaid**

Railroad Retirement benefits are administered by the U.S. Railroad Retirement Board and are payable to a wage earner employed by railroad or railroad-related industries and/or his/her dependents. The wage earner must be covered by Railroad Retirement and must be one of the following:

- Retired and at least age 60.
- Disabled or blind.
- Dead.

Railroad Retirement benefits are potential benefits for the following persons:

- A person who is blind.
- A person who is retired and at least age 62.

- A person who claims illness or injury prevents him from working for at least 12 months.
- A person whose spouse or divorced spouse receives Railroad Retirement benefits.
- A person whose spouse or divorced spouse is dead.
- A child whose parent receives Railroad Retirement benefits.
- A child whose parent is dead.

## Unemployment Benefits

### FIP, SDA, RCA, CDC and Medicaid

Unemployment benefits (UB) are cash payments to an unemployed person. The program is administered by the Michigan Unemployment Insurance Agency (UIA), a division of the Department of Talent and Economic Development (TED).

**Note:** Michigan unemployed workers may apply for unemployment benefits online through an internet filed claim service.

Potential UB eligibility usually exists if the person is employable and:

- Worked during the past 12 months **unless** it was self-employment or employment in a job that was not covered by UB.
- Has a UIA determination which indicates that he/she should reapply for UB at a later date.
- Has exhausted benefits during a benefit year but should now reapply for UB because he/she returned to work and then became unemployed again.
- Has exhausted benefits during a benefit year which has ended and should now reapply for UB.

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## Contractual Care Arrangement

### Medicaid Only

A contractual care arrangement means there is a contract between an individual and another party which:

- Obligates the other party to provide or pay for all of the individual's medical care; **and**
- The obligation is not dependent on the individual's current income, assets or payments to the other party; **and**
- The other party is currently meeting the obligation.

An institutionalized individual with a contractual care arrangement is **not** eligible for Medicaid.

## Child Support

### FIP, CDC and Medicaid

Refer to BEM 255 for policy regarding pursuit of child support payments.

## Other Potential Benefits

### FIP, SDA, RCA, CDC and Medicaid

The following types of income can also be a source of potential benefits:

- Black Lung benefits.
- Railroad unemployment benefits.
- Pension payments.
- Disability or retirement benefits.
- Earned but unpaid wages.
- Strike pay.
- Vacation pay.
- Supplemental unemployment benefits.

**Department  
Benefits****SDA**

Potentially eligible SDA individuals must apply for financial and/or medical assistance provided for by the Department. The individual must cooperate in all actions necessary to determine eligibility for these other programs.

**VERIFICATION  
REQUIREMENTS****FIP, SDA, RCA, CDC and Medicaid**

For individuals applying for FIP, SDA, RCA and disability-related MA, verification must be obtained from SSA that an application or appeal is on file **before** the case is referred to the DDS.

For FIP/SDA/RCA individuals receiving disability-related Medicaid, verification must be obtained from SSA that a SSI application or appeal is on file at program redetermination and medical determination review.

Document in case comments what verification was provided.

A Michigan SOAR Project Consent for Release of Information form may be used to verify a pending SSI application for an individual if ALL of the criteria listed below are met:

- The form has a SSA Liaison name listed.
- There is a SSA Field Office Code.
- Date of response is within 60 days. This form of verification is only acceptable for 60 days from the date of response. After 60 days the SOLQ should show a pending SSI application. If the SOLQ does not show a pending SSI application, verification must be provided by the individual.

**Sources of  
Verification****Contractual Care Arrangement:**

- Copy of contract.
- Correspondence or other contact with other party.

**SSI:**

- Single Online Query (SOLQ).
- DHS-1552, Verification of Application for SSI from SSA.
- Correspondence from SSA.
- Telephone or other contact with SSA.

**Other:**

- Correspondence from source of benefit.
- Telephone or other contact with source of benefit.
- DHS-3975, Reimbursement Authorization.
- DHS-2157, Repay Agreement.

**LEGAL BASE****FIP**

P.A. 280 of 1939, as amended

**SDA**

DHS Annual Appropriations Act  
Mich Admin Code, R 400.3151 - 400.3180

**RCA**

45 CFR 400.51

**CDC**

Child Care and Development Block Grant of 1990  
45 CFR Parts 98 and 99  
Social Security Act, as amended  
Mich Admin Code, R 400.5001 - 400.5020

**MA**

42 CFR 435.608  
MCL 400.106(2)(b)(ii)